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24 January 1963

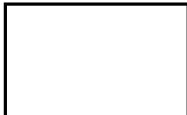
MEMORANDUM FOR: Executive Director

SUBJECT : Basic Authorities and Agreements which
CIA Holds with USAF/NRO; Recommended
Modifications and Suggestions Regarding
the NRO Organization

1. Pursuant to your request the attached draft sets forth the various agreements which CIA holds with the United States Air Force and the National Reconnaissance Office regarding our reconnaissance projects.

2. We have also included several proposed modifications to the NRO Agreement which would provide CIA with a greater role in the overall NRP.

3. We have taken the liberty to present this draft in the form of brief paragraphs rather than the typical memorandum or staff study form to facilitate their extraction into an overall final paper should you so desire.


JAMES A. CUNNINGHAM, JR.
Deputy Assistant Director
(Special Activities)

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NRO and USAF review(s) completed.

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1. The basic authority for the Central Intelligence Agency to engage in overhead reconnaissance activities stems from within the authorities granted CIA by the National Security Act of 1947 and the Central Intelligence Act of 1949.

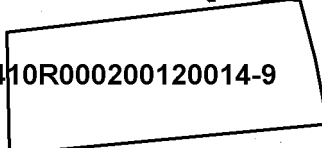
2. On 5 November 1954 the Technological Capabilities Panel ("Land Panel"), Office of Defense Mobilization submitted to the DCI a report indicating why overflight of the Soviet Union was urgent and feasible and why that activity was appropriate for CIA, always with Air Force assistance." (TS-115018-A)

3. On 23 November 1954 the IAC cited serious gaps in our intelligence covering the Soviet Bloc areas, particularly in relation to our ability to determine the capabilities of the Soviet Union to launch nuclear attacks against the U. S. It suggested a belief "that we could have a substantially improved capability of filling these gaps through the use of aerial reconnaissance and photography, and that today these methods are the most practicable additional means to this end." (unnumbered Memo signed by IAC members)

4. On 24 November 1954 the DCI prepared a memorandum on Reconnaissance recommending: approval for the existence of a National requirement for reconnaissance overflights; direct the Secretary of Air Force and DCI to establish a collaborative project

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for procurement and testing of the necessary aircraft and equipment; direct Secretary of Air Force and DCI to conduct at the earliest possible date the reconnaissance overflights, and to do so in such a way as to reduce the risk of involvement of the U. S. to the minimum practicable. (TS No. 103085 --- no addressee, presumably Higher Authority).

5. On 24 November 1954 the President approved the reconnaissance project in a meeting at the White House. (unnumbered Memo for Record signed by General Cabell, who also attended the meeting).

6. Project OILSTONE (called AQUATONE; CHALICE; and now IDEALIST by CIA) Agreement between USAF and CIA was signed by General N. F. Twining for USAF on 3 August 1955 and cosigned by A. W. Dulles for CIA on 4 August 1955. The Agreement stated that "there is in existence a Project Headquarters, headed by a CIA Project Director to which an Air Force Officer will be assigned to serve as Deputy Project Director --- the Project Headquarters will establish operational units, stationed at bases overseas after completion of training in the ZI --- the Project Headquarters will be responsible for any continued research and development, operational planning, and the direction and control of operations in the final phase of the Project when overflights are being launched from bases overseas ---

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the third phase will be of active operations from overseas bases. This phase follows the decision as to operational readiness. In this third phase, the final decision as to execution and timing of actual overflight missions shall rest with the Project Director subject to such guidance as he received from higher authority. The line of command shall be direct between operational units and the Project Director." (TS-142557/D)

7. The concept of developing a supersonic aircraft was studied intensively and endorsed by the President's Science Advisory Committee. The design specifications for the major systems of a supersonic reconnaissance aircraft were established during 1958 and the first half of 1959 under project GUSTO. Lockheed and Corvair developed competing airframe designs with Lockheed eventually winning selection as prime contractor in late summer 1959 as Project OXCART.

8. Project OXCART Agreement which defined the organization and delineation of responsibilities of USAF/CIA was co-signed by General Thomas D. White for USAF on 15 February 1960 and Mr. A. W. Dulles for the CIA on 18 February 1960. The Agreement stated that "there is in existence a Project Headquarters headed by

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a CIA Project Director. An Air Force Officer is assigned as Deputy Project Director. Project Headquarters will establish an operational unit presently planned to be stationed in the Zone of Interior --- the Project Headquarters will be responsible for any continued research and development, operational planning, and the direction and control of activities in the final operational phase of the Project when overflights are being launched --- the third phase will be that of active operations --- the final decision as to execution and timing of actual overflight missions shall rest jointly with the CIA and the USAF, subject to such guidance as may be received from higher authority, and in accordance with notification, coordination, and support procedures currently employed in Project OILSTONE. The line of command shall be direct between operational units and the CIA. (TS 4403 (OXC-0321))

9. Project CORONA was authorized by the White House on 15 April 1958 and responsibility was assigned to the Advanced Research Projects Agency, DOD, for general management of the vehicle development; to the Air Force Ballistic Missiles Division for detailed technical supervision of vehicle development and operations; and to CIA for development of reconnaissance equipment and for management of collection requirements, security, cover and operations.

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10. On 7 July 1959 Mr. Roy W. Johnson, Director, ARPA, and Mr. Richard M. Bissell, CIA Project Director co-signed a memorandum delineating the Agency responsibilities for Project ARGON. In that memorandum it was agreed that "in order to obtain maximum security, it is essential that CIA exercise control of ARGON: this control to range from complete control in such areas as security and cover to joint control with ARPA in other areas such as the direction of the technical aspects of the project, including payload and II7L vehicle and systems --- the CIA-DPD Control Center will be the central location for operational control --- political approvals for ARGON launches will be the responsibility of CIA with DOD support, and with ARPA providing technical justification for flights --- ARPA and CIA will maintain joint technical control throughout the operational phases of the ARGON program. (ARG 0007; AA-0001).

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11. On 6 September 1961 General C. P. Cabell, as Acting DCI, concurred in a memorandum from Deputy Secretary of Defense, Roswell L. Gilpatric on the National Reconnaissance Program. The memorandum defined the management of the National Reconnaissance Program (NRP) and officially established on a covert basis a National Reconnaissance Office to manage the NRP. The Office was placed under the co-direction of the Under Secretary of the Air Force and the Deputy Director (Plans), CIA. It was charged to include a small special staff of personnel drawn from DOD and CIA. The Office was granted the charter of direct control over all elements of the total reconnaissance program, whether overt or covert. The memorandum went on to state that "the management and conduct of individual projects or elements thereof requiring special covert arrangements may be assigned to the CIA as the operational agency." In effect then, the National Reconnaissance Office encompassed de facto, if not de jure, existing agreements between the CIA and USAF.

12. On 7 December 1961, Mr. R. M. Bissell, the DD/P and co-director of the NRO, submitted to Mr. Patrick Coyne, Executive Secretary of the President's Foreign Intelligence Advisory Board, a document titled

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"The Division of Responsibility within the NRO." An informal note on a carbon file copy within OSA states that Mr. Bissell had received Dr. Charyk's agreement to the document by telephone prior to submitting it to Mr. Coyne. In that document, the NRO was acknowledged as being headed by co-directors, each of whom would act using the authority of his overt position within his own organization. With respect to major programs, it allocated responsibilities of the CORONA/MURAL/ARGON to CIA as primarily responsible for targeting, operational planning, and control of payload operation; development and procurement of photographic payloads and nose cones; and finally security. The Air Force was charged with launch scheduling and launching; orbit and recovery operations; and the development and procurement of boosters, orbit vehicles, and ELINT payloads. In the SAMOS Program, the Air Force was held primarily responsible for SAMOS with CIA in the supporting role particularly in target and security planning. The OXCART Program was the primary responsibility of the CIA with the Air Force in a supporting role. With respect especially to the later configurations of SAMOS and to other advance systems, the document stated that "consideration will be given to gradual modification of this distribution of responsibilities. In general, it is clear that Air Force

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elements will retain primary responsibility for operations and for fuel development and procurement. For the most part, these activities not only can but must be 'white,' that is conducted in a reasonably public fashion. CIA's main contribution will be in target planning, serving as the communications channel for operational control and security and that development and procurement which must be 'black'."

13. On 20 March 1962, Dr. Scoville as the DD/R forwarded in a memorandum to the DCI an agreement for the management of the National Reconnaissance Program. In that agreement, which had been concurred in by Dr. Charyk, the Central Intelligence Agency was tentatively assigned the primary responsibility for OXCART and CORONA and future truly covert satellite projects.

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14. On 2 April 1962, Dr. Charyk, as Under Secretary of the Air Force, forwarded a memorandum to the DD/R stating the delegation of responsibilities for the LANYARD Project. Within that Project, contract administration of the payload and those portions of the recovery system which must be procured under covert contract were assigned

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the responsibility of CIA. Technical management of all aspects of LANYARD including the payload were assigned to the Director of Special Projects, OSAF (General Greer). Operationally the CIA was charged with the responsibility for pre-mission planning and on-orbit operational decisions in the same manner as currently followed in the CORONA Project. [redacted] On 5 April, Dr. Scoville replied to Dr. Charyk stating CIA's agreement to accept responsibility for the operational aspects of the LANYARD Program as well as contractual administration for payload and certain recovery systems. [redacted]

15. On 2 May 1962, the Director and Deputy Secretary of Defense co-signed the agreement between the Secretary of Defense and Director of Central Intelligence on the responsibilities of the National Reconnaissance Office. In that document, CIA was designated as an executive agent for the Director, NRO for those covert projects already under its management and such additional covert projects as are assigned to it by the Secretary of Defense and the Director of Central Intelligence. The Director, NRO was held responsible for funding the National Reconnaissance Program.

The agreement stated that [redacted]

[redacted] CIA will be responsible for funding covert projects for which it has management responsibility. Secondly, the D/NRO was

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charged with the responsibility for all NRP contracts with CIA, as executive agent of the D/NRO, responsible for administering procurements and contracting for covert projects for which it is assigned responsibility. The D/NRO was held responsible for advance plans (post calendar year 1962) in support of the NRP. In view of the DCI's major responsibility to the NSC for all intelligence programs, all NRO advance planning will be coordinated with CIA. [REDACTED]

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16. On 3 May 1962, the DCI confirmed to the Deputy Secretary of Defense his agreement that Dr. Joseph Charyk be named Director of the NRO.

17. On 6 July 1962, Mr. McGeorge Bundy, Special Assistant to the President on Intelligence Matters, directed a memorandum to the Secretary of Defense and the Director of Central Intelligence wherein he remarked that the Foreign Intelligence Advisory Board in its report to the President noted the agreements that had been reached between the DCI and the Secretary of Defense with respect to the organization, management, and functioning of the NRO with the following comment: "We believe that the actual structure of the documents is inadequate to support an efficient organization when the present experienced and distinguished group moves on to other tasks. We therefore recommend

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a continuing study of a more satisfactory, permanent documentary basis for the NRO with particular references to existing NSC directives with which the present NRO plan may be in conflict." Mr. Bundy indicated that the President had approved the Board's recommendation and was therefore requesting the DCI and the Secretary of Defense that appropriate implementing action be taken and that a joint report of the progress made be furnished to the President and the Foreign Intelligence Advisory Board by 15 September. [REDACTED]

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18. On 23 July 1962, Dr. Charyk, as Director, NRO forwarded a memorandum to NRO Program Directors and the Director of the NRO Staff outlining the organization and functions of the NRO. In outlining the overall concept of the organization and operation of the NRO, Dr. Charyk established the NRO as an operating agency separately organized, concealed entirely within other agencies using personnel and other resources of these agencies on a full- or part-time basis as required. The NRO was designed to consist of the D/NRO, the NRO Staff, the NRO Program Directors, and their Project Directors, and any Staff Officers at that present time. At that time, there were two NRO Program Directors: the Director, Program A being responsible for the NRP satellite effort; and the Director, Program B responsible for the NRP conducted by the NRO through utilization of CIA resources.

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The activities and office of the Program B Director were to be covered by his overt duty as Deputy Director (Research), CIA. Program Directors would be responsible directly and solely to the D/NRO. The D/NRO assumed responsibility for all funding of the NRP. All covert funds would be budgeted by the CIA, and all covert NRP contracts let by the CIA as executive agent for the D/NRP. Funds would be transferred to appropriate services and agencies on an incremental funding basis based upon specific approval of assigned NRP work by the D/NRO. The D/NRO would assign operational control for aircraft projects to the appropriate Program Director. The NRO Staff will keep the D/NRO currently informed of the status of such operations. In the case of satellite projects, the NRO Staff would be responsible for actual mission planning from the standpoint of specifying desired targets to be covered, desired on-orbit target program options and approval of the actual mission target program. The staff would also make all on-orbit selection between target coverage options based on weather or intelligence factors. The NRO Staff also would be responsible for the NRO interface with USIB and for NRO coordination of all peripheral reconnaissance activities. Prior specific approval of the D/NRO would be required for any matter of the NRO or NRP to be processed with higher authority.

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19. On 17 October, D/NRO assigned DOD to manage and operate all FIRE FLY drones against Cuba under NRO supervision and with CIA assistance in ELINT, contracting, and security.

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20. On 17 October, in a memorandum addressed to DD/R, the D/NRO assigned NRO management responsibility for the development of the AQ-12 drone project to Director, Program B. Dr. Charyk went on to state, "In view of the potential importance of this effort, I believe that it should be established now on a separate project basis under a full-time project manager reporting directly to you. I am prepared to assign Lieutenant Colonel Henry Howard from NRO Staff to the Director, Program B for this important task."

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On 26 October, in a memorandum signed by the DD/R to D/NRO, Colonel Ledford, Director, Program B, assumed managerial responsibility for the AQ-12 drone project and concurred in assignment of Lieutenant Colonel Howard as project officer for the AQ-12.

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21. a. With the advent of the National Reconnaissance Office certain problems and incidents have occurred which would suggest that the NRO in its present form is not functioning as desired, and too often has been the arena for misunderstanding between the Air Force and the CIA. Resolution of differences has not been without a price paid in widening the gulf which is rapidly increasing between a once harmonious USAF and CIA relationship.

b. Possibly this coordination is more properly a sign of the times and not the NRO. Possibly the responsibilities of the reconnaissance programs have evolved to the stage where their size and operation make clear cut management no longer realistic or detainable within the Governmental environment that presently exists.

c. It is difficult to isolate a turning point in the USAF/CIA relationship and to point to any one act or series of acts which have prompted the erosion that has taken place. Whatever the reason, it is fair statement of fact to conclude frankly that during the short reign of the NRO the USAF/CIA relationship has deteriorated to the point where mutual trust is now hesitant and there is speculation on either side of "power grabs" by the other.

d. The major problems with the NRO have been called to your attention. We are reluctant to surface the minor ones, realizing

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that the replay of any incident is subject to a loss of objectivity and context; and their narration cannot solve but merely accentuate the situation.

22. In an attempt to seek resolution of the present situation, we have considered the following courses of action, which if implemented, should orient the National Reconnaissance Office to a point where CIA would play a managerial, as well as a coordinating role in the National Reconnaissance Program. They are:

a. Appointment of the Director and Deputy Director, NRO as full-time positions. The CIA and DOD respectively represented in one of the two positions. Since the D/NRO is technically charged with the direction and control of the National Reconnaissance Program, a case could be made for the D/NRO to be a CIA employee to avoid any valid criticism in case of an overflight mishap that the program was directed by a Pentagon personality and hence an aggressive act. This same reasoning could also suggest that the D/NRO report directly to the DCI. In either case, both the Director and Deputy Director, NRO should be qualified to appreciate the technology involved in reconnaissance programs.

b. The NRO staff should not be an operating organization involved in the day-to-day operational and contractual decisions but more properly should assume the role of a classic staff, without

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command functions, charged with normal executive and administrative duties.

c. Whenever possible the NRO staff should be manned with equal members of representatives from each agency and service contributing to the National Reconnaissance Programs. These representatives, as full-time members of the NRO, would also provide the necessary NRO coordination with their respective services. It may be desirable to assign a NASA representative to the staff in order to take advantage of the technical progress and achievements of that organization.

d. Assign the Director, Program A to the Washington Area where he would control Program A's activities while taking the advantage of the proximity of national requirements as well as simplifying the coordination of its operations with the NRO. This objective would hold true of Program C Director and any additional Program Directors.

e. Employ the use of the Joint Reconnaissance Center to coordinate specific reconnaissance activities. By so doing it would obviate the need for the NRO to maintain a duplicate facility.

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f. Assign all national reconnaissance, including that of SAC, to a NRO Program Director who would assume NRO responsibility for the operations through the appropriate service or agency command.

g. Locate the Director, Deputy Director and NRO staff in one office area, preferably outside of CIA Headquarters and the Pentagon on neutral ground for all services and agencies. The Director/NPIC has indicated optimism that sufficient space could be made available in his immediate or adjacent office area. There is considerable merit in the logic of co-locating the NRO and NPIC.

h. Designate the Director, Program B as responsible for coordinating the processing and dissemination of intelligence product acquired by all national reconnaissance programs. He should also be responsible for the technical monitoring of the processing itself and the development of new processing and exploitation equipment for the NRP.

23. Another modification of the NRO would simply charge the D/NRO with the role of a NRP coordinator with the responsibility to recommend to the Secretary of Defense and DCI the assignment of projects with the NRP to specific Agencies or Services. A small

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staff would assist him in the coordination but all policy guidance and direction of the NRP would stem jointly from the DCI and Secretary of Defense with operational control of the projects resting with the Agency or Service so assigned.

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24. A third approach would dissolve the NRO and assign the responsibilities for the development and conduct of the national reconnaissance program to a newly established subcommittee to USIB. Although the committee approach is not the classic answer to better management, proper coordination of the NRP would be more readily attainable and possibly with greater representation and appreciation of each member's interests than through the present NRO.

a. The subcommittee would recommend to the Chairman of USIB those agencies or services responsible for the development of specific reconnaissance systems and those responsible for the operation of the reconnaissance vehicles now in being. This would not preclude joint operations such as now exist with the Air Force and CIA in the IDEALIST, OXCART, CORONA/MURAL and LANYARD Projects.

b. The committee would in effect be the brokerage house for all activity and information regarding reconnaissance projects and reconnaissance systems. Representation on such a subcommittee would be limited to those departments, services, and agencies concerned with the actual conduct of the reconnaissance program, and such other members as the Chairman, USIB may direct. Such a forum would permit equal voice and representation for all services as well as place

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the program within that governmental structure, namely USIB, primarily concerned with the overall national intelligence interests.

c. Unresolved disagreements within USIB would be referred by the Chairman to the Special Group, or higher authority if necessary, for resolution.

25. In the final analysis, we suggest, rather than attempt to renegotiate our position in the NRO with USAF/DOD and risk continual friction and claims of parochialism that we turn to the President's Foreign Intelligence Advisory Board to examine the NRO and the present USAF/CIA relationship and make recommendations to the DCI, not only in the field of policy guidance and general organization of the NRO, but also in the specifics of implementation procedures such as project assignments; delineation of responsibilities; budget approvals and appropriations; and the preparation and approval of Special Group papers.